

Message Text

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44

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-03 H-01

INR-05 L-02 NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02

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R 111525Z DEC 74

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 748

INFO AMEMBASSY BEIRUT

AMEMBASSY TEL AVIV

AMEMBASSY LONDON

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E.O. 11652: NA

TAGS: EGEN EINV EG

SUBJ: PEOPLES ASSEMBLY CONSIDERATION OF PLAN AND

BUDGET

REF: CAIRO 10033

1. IN DEC 10 CONTINUATION PRESENTATION AND DISCUSSION OF GOE 1975 BUDGET AND INTERIM PLAN IN PEOPLES' ASSEMBLY, PRIMIN HEGAZI IS REPORTED HAS HAVING STATED THAT EGYPT WILL NOT BE ABLE TO LIFT RESTRICTIONS ON DEALINGS IN EGYPTIAN CURRENCY UNTIL SUCH TIME AS BALANCE OF PAYMENTS HAS IMPROVED. FURTHER, GOE HAS REFUSED TO DEVALUE THE POUND. STATEMENT WAS MADE IN RESPONSE TO QUESTIONS AS TO WHEN EGYPT WOULD LET POUND FLOAT.

2. HEGAZI'S APPEARANCE WAS FOLLOWED BY THAT OF MIN PLANNING ABDALLAH WHO GAVE OVERVIEW OF INTERIM PLAN WITH FOLLOWING HIGH-LIGHTS: INVESTMENTS WILL TOTAL LE 1.183 BILLION. OF WHICH PRIVATE

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SECTOR SHARE WILL BE LE 1 MILLION; EXPECTED ARAB AND FOREIGN

CAPITAL CONTRIBUTION IS LE 85 MILLION. ABDALLAH SAID INVESTMENTS SHOULD CREATE 350,000 NEW JOBS AND RAISE GROSS NATONAL PRODUCTION REPEAT PRODUCTION FROM LE 7.030 BILLION IN 1974 TO LE 7.915 BILLION IN 1975. (THESE FIGURES CORRESPONDED TO THOSE GIVEN TO US DURING NOV MEETING OF JWG ON ECONOMIC ANF FINANCIAL COOPERATION).

3. PRESS REPORTS THAT FINMIN EL NASHAR WILL PRESENT THE STATE'S GENERAL BUDGET IN SESSION TO BE HELD DEC 11. STATEMENT EVIDENTLY COMPRISES 70 PAGES AND WILL INCLUDE DISCUSSIONOF PROPOSED TAX REFORM, MENTIONED BY HEGAZI IN HIS NOV 27 PRESENTATION OF GOE GENERAL POLICY, FOR PURPOSES OF EASING THE BURDEN ON LOWER INCOME GROUPS AND SHIFTING IT TO THOUSE IN HIGHER BRACKETS.

4. PRESENTATIONS BY HEGAZI AND ABDALLAH APPARENTLY DID NOT GENERATE EXTENSIVE QUESTIONING.

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Message Attributes

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